



# **Reduction in Force Webinar**

## **In Conjunction with OSP**

**June 23, 2009**



## Purpose of Presentation

- Overview of RIF tools in BEACON
- A word about Severance
- Overview of RIF Actions and Reasons
- Scenarios: What you would do and Why....



# RIF Tools in BEACON

- ZSEV – Severance Calculator
- BI Reports
  - B0020 RIF Verification
  - B0021 Employees Eligible for RIF Priority
- Infotypes
  - IT 19 Monitoring of Tasks
  - IT 41 Date Specifications
- Actions and Reasons

**ZSEV**  
**Severance Pay Calculations**

OFFICE OF THE STATE COMPTROLLER  
Treasury • Administration

System Help

**Severance Pay Calculations**

Employee Number  Date of RIF Separation   
Employee Name

Personnel Area   
Position Number   
Employee Salary

Current Service Months  As Of   
Service Factor  0.00  
Date of Birth   
Age Factor  0.00

Total Severance Pay  0.00 Distributed Over  0 Months  
0.00 Per Month  
(Based on  0.00 Years of Service)

Note:

E1P (t) 100 be1pa04z INS

Calculator currently pulls in CURRENT salary –  
please refer to RIF policy and check overview of actions to determine if  
salary should be changed on the calculator.

One person at a time....

Knows the difference between teachers and other employees

You provide EE # and RIF Separation Date

It provides

Total Severance Pay  
Number of payments – Distributed over \_\_\_\_ months  
Amount per month  
Based on \_\_\_\_ yrs of service

Best Business Practice Recommendation:

After receiving approval to pay severance from OSBM -

print out the screen print on a monthly basis and provide to agency payroll after entering appropriate actions into system.

Agency payroll will create the necessary IT 15's for payments.

# BI Reports used for RIF: B0020 and B0021



Welcome Personnel Admin - SAP NetWeaver Portal - Windows Internet Explorer provided by OSC

Welcome JULIE NEW

Office of the State Comptroller

Home | My Data | My Staff (MSS) | SAP GUI | Reports | OrgCharts

Welcome | Personnel Admin | Organization Mgmt | Benefits | Cost Center | Mgmt Scorecard

**Detailed Navigation**

- Turnover
- Cross Agency Verification
  - B0020: RIF Verification
  - B0157: Verify Employment
- Grievances
- Foreign Nationals
- Employee Details & Actions
- Temporary Employees
- Disability
- Longevity & Retirement
- Labor
- Employee Headcount
- Performance Review
- EEO Planning
- Qualifications
- EEO Analysis
- Compensation

**Business Intelligence Personnel administration**

Today is: Thursday, April 30, 2009 6:06:01 PM.

**Updates!**

04/19/09 - There is a new report available under the Compensation role called B0015: Reallocations.

There are 74 Personnel Administration reports currently available for reporting!

[Meet our Subject Matter Experts](#)

The individuals listed in the link were selected by their Agency because they have in-depth knowledge of the business processes related to Personnel Administration for the State of North Carolina. They

[FAQs](#)

A list of some frequent questions can be found following the link above

[Report Descriptions](#)

General descriptions of all Personnel Administration reports can be found by following the link above. More detailed descriptions of the reports and how they can

Trusted sites 100%

## BI Reports used for RIF: B0020 and B0021 cont.



- B0020 RIF Verification
  - Personnel Admin/Cross Agency Verification
  - Job Aid – link on BI Splash Page, Report Descriptions
  - For an individual
    - must have both last 4 digits and name in ALL CAPS
  - Jumps to...
- B0021 Employees Eligible for RIF Priority
  - Provides detail of RIF dates to determine eligibility

6

Does the Cross Agency Verification Report look different from the RIF Verification Report?

They are two different reports, are different but may not look that different to an occasional user.

Only the RIF Verification (B0020) has the link to Employees Eligible for RIF Priority (B0021)

Can you pull yourself up on the RIF Verification Report even if you have not been RIF'd?

Yes, you can pull anyone up on the B0020, but unless they have an active Datetype 06 on the Date Specifications, they should not appear on the B0021.

How do I jump from B0020 to B0021?

Put your cursor on the end of the last row of the report and right click; select Goto and click on the report.

Who has access to these reports?

The same employees who can do Cross Agency Verification.

## If Rehired, Some Benefits May Continue



- RIF to Temp
  - All RIF rights continue
- 40 hr RIF to fewer hrs.
  - Priority continues, maybe SHP too
- RIF to lesser grade, salary, competency etc.
  - Priority continues

7

Health Plan will continue if hours 30 or more.

# How BEACON Tracks OSP Policy in System



## OSP Policy

- RIF Priority
- Severance Pay
- State Health Plan

## BEACON Process

- IT 41 Date Specifications
- Action AND  
IT 15 Additional Payments
- Action

8

Three SEPARATE policies to keep track.... See policies for ALL specifics.  
For example:

RIF Priority requires 24 months of continuous state service as permanent employee.

Severance pay requires at least 6 months of continuous state service as a permanent trainee.

State Health Plan requires at least 12 months of continuous state service as a permanent employee.





## Temporary RIF Employment

- RIF Agency = Parent agency
- Temporary Agency = Borrowing Agency
- Employee REMAINS with RIF Agency
- Borrowing Agency does NOT activate employee
- Borrowing Agency notifies Parent Agency, OSP and BEST
- Borrowing Agency sends to BEST:
  - Timesheet with the following information
    - Position Number
    - Employee Number
    - Hourly Rate
    - Signatures of Supervisor and Employee

9

DO NOT ENTER A RIF'D EMPLOYEE INTO SYSTEM AS A TEMP – You will cancel out the RIF action!



## IT 19 Monitoring of Tasks

- IT 19 – should probably do TWO of these....
  - 30 days – from RIF letter/notification to initiate RIF action
  - Another one 12 months out to cancel separation pay continuation action.
  - Not wise to do all actions at once – employee might find work within state government before first 30 days is over.... Then it would be a transfer (or some other action than RIF)
- Use B0099 in BI PA – EE Deadline Dates



## IT 41 Date Specifications

- IT 41 – ADD a Date Type 06 Notification of RIF
  - Don't change existing dates already on the date type
  - Don't forget your comments!
  - BI Reports built off of this data – very important
  - If RIF Priority satisfied – COPY 41 and remove 06

How is the IT 41 handled if a RIF takes a job that satisfies their RIF rights?

In the BEACON system, the IT 41 will come up as part of the action completed by those hiring the RIF. They should copy the 41 and remove the datatype 06 on the NEW IT 41. The datatype 06 should remain on the previous IT 41.

If hiring in State Government but outside of BEACON, the agency with access to employee should copy the IT 41 and remove the datatype 06 from the new IT 41.

This should be maintained in addition to adding to the OSP spreadsheet – BEACON is system of record. Must be entered for future BI reporting purposes.

## Reduction in Force Actions and Reasons



- Action: Separation Pay Continuation
- Reasons:
  - RIF Severance and/or Health Insurance
  - RIF Discontinue Service Retire

12

BEFORE entering a Discontinued Service Retirement into the system, be sure to include agency payroll, OSP, and Retirement in your discussions. The current contact at the Retirement system per Stephanie Beard at the Treasurer's Office, is Diane Whaley – 508-5156.

## Reduction in Force Actions and Reasons cont.



- Action: Separation
- Reasons:
  - RIF – Prior to career status
    - without severance/health benefit
  - Reduction in Force (RIF)
    - without severance/health benefit
  - Cancel Separation Pay Continuation
    - cancels severance and/or health benefit

13

When using the Separation action, you are truly cutting the cord. The employee will not receive any additional pay or benefits other than regular separation payouts of leave.

Be sure to do a Separation/Cancel Separation Pay Continuation on all RIF Separation Pay Continuation actions.

What action is done by whom if a RIF employee who currently has a Separation Pay Continuation action in the system is hired by a Non BEACON state agency?

The agency that has access to the employee, usually the agency that reduced the employee will complete a Separation/Cancel Separation Pay Continuation.

A few words about “career status” 6 mos trainee vs 12 months vs 24 months....

## Severance – Approved by OSBM BEFORE Processed



- HR is responsible for RIF actions and severance calculation
- HR provides Payroll severance amount to pay on monthly basis
- Payroll will use IT 15 – Additional Payments to process
- Employee may be hired early in RIF process and lose severance rights
- Only one IT 15 should be created per month so as not to overpay – do not future date and create several at one time
- Per Wendy Griffin, Payroll questions should be directed to Payroll during their conference call

14

Severance must be approved by OSBM before it is paid.

Agency HR sends to OSP who forwards on to OSBM for approval.

Agency HR then notifies Agency Payroll to pay a specific amount as approved by OSBM.

## Benefits for RIF Employees



- Statute 135-45.2
  - Employed for 12 or more months and covered by the plan at time of separation
    - Can be covered up to 12 months following the separation from service on a noncontributory coverage (employer paid)
    - Can continue after noncontributory period by paying full cost directly to BCBS

15

135-45.2(a)(8) Notwithstanding the provisions of G.S. 135-45.12 employees formerly covered by the provisions of this section, other than retired employees, who have been employed for 12 or more months by an employing unit and whose jobs are eliminated because of a reduction, in total or in part, in the funds used to support the job or its responsibilities, provided the employees were covered by the Plan at the time of separation from service resulting from a job elimination. Employees covered by this subsection shall be covered for a period of up to 12 months following a separation from service because of a job elimination.

135-45.2(c)(8) Notwithstanding the provisions of G.S. 135-45.11 former employees covered by the provisions of G.S. 135-45.2 and their spouses and eligible dependent children who were covered by the Plan at the time of the former employees' separation from service pursuant to G.S. 135-45.2, following expiration of the former employees' coverage provided by G.S. 135-45.2. Election of coverage under this subdivision shall be made within 90 days after the termination of coverage provided under G.S. 135-45.2.



## Benefits for RIF Employees

- Needs Separation Pay Continuation
  - RIF Severance and/or Health Insurance
- 12 month RIF benefit will start the 1<sup>st</sup> of the month following the RIF separation action.
  - Employee RIF separation effective 6/10/2009
    - RIF Benefit (employer paid) 7/1/2009 – 6/30/2010.
  - Employee RIF separation effective 7/1/2009
    - RIF Benefit (employer paid) 8/1/2009 – 7/31/2010.





## Benefits for RIF Employees

- COBRA Subsidy
  - 11<sup>th</sup> of each Month BEACON will notify BCBS of RIF employees
  - BCBS sends COBRA subsidy package to RIF employee
  - Any covered member can choose COBRA
  - Once on COBRA cannot go back to RIF plan after subsidy
  - See [www.shpnc.org](http://www.shpnc.org) for complete details

## Scenario: 30 yr. perm does not elect to retire



- 30 yr. perm employee receives his letter June 1 and does not elect to retire
- Actions and other IT's in system:
  - IT 41 Date Specifications – June 1
  - IT 19 Monitoring of Tasks (30 day reminder to complete action)
  - Separation Pay Continuation/RIF Severance and/or Health Insurance - July 1, 2009
  - IT 19 Monitoring of Tasks (reminder to cancel)
  - Separation/Cancel Pay Continuation – July 1, 2010

18

On the face of it – just like any other RIF....

Need to be sure that agency does not continue to pay health insurance if employee elects to retire – Retirement will then pick up the health insurance. Would need to do a Separation/Retirement instead....



## Scenario: LOA/Pay

- Perm Employee (working 15 mos.) on LOA with pay; receives letter June 1 and is not reemployed within 12 months
- Actions and other IT's in system:
  - IT 41 Date Specifications – June 1, 2009
  - IT 19 Monitoring of Tasks (30 day reminder to complete action)
  - Separation Pay Continuation/RIF Severance and/or Health Insurance - July 1, 2009
  - IT 19 Monitoring of Tasks (reminder to cancel)
  - Separation/Cancel Separation Pay Continuation – Aug 1, 2010

19

Important thing here – do NOT bring back unless they are going to work – move directly from LOA to RIF.

RIF 12 months health insurance begins August 1, 2009 to July 31 2010.

## Scenario: Discontinued Service Retirement



- 29 yr. perm employee receives letter June 1
- CHECK WITH RETIREMENT AND OSBM 1<sup>st</sup>!
- Possible Actions in system:
  - IT 41 Date Specifications – June 1
  - IT 19 Monitoring of Tasks (30 day reminder to complete action)
  - Separation Pay Continuation/RIF Discontinue Service Retire - July 1, 2009
  - Separation/Cancel Pay Continuation – Must be done but depends on agreement

20

Several ways to handle this between agency, employee and Retirement System.

More than likely taxes will be involved and employee should receive a W-2. If W-2 is to be generated, it is Separation Pay Continuation....

## Scenario: Trainee – less than 6 mos.



- Employee has been working less than 4 months as a trainee; receives his letter June 1
- Actions in system:
  - IT 41 Date Specifications – June 1
  - IT 19 Monitoring of Tasks (30 day reminder to complete action)
  - Separation/Prior to Career Status – July 1

21

Employee will just receive a COBRA offer.

## RIF Employees Returning to Work



- Agencies responsible for notifying OSP if hiring a RIF employee
- OSP communicates to Parent Agency if employee hired permanently
- Agencies responsible for correcting system

## Scenario: BEACON to BEACON

RIF Priority Satisfied



- If RIF is hired by another BEACON agency and RIF Priority is Satisfied
  - BEACON Agency contacts OSP AND Parent Agency to notify of hiring
  - BEACON Agency enters appropriate action/reason
    - Transfer if w/in 30 day notification & not Sep or Sep/Pay Cont.
    - Reinstatement if Sep or Sep/Pay Cont.
    - Copy 41 and remove 06 as part of action
    - Delimit IT 19 to remind to remove 06 after total of 12 months
    - Check to see if future dated IT 15's need to be removed
    - Don't forget the comments!

## Scenario: BEACON to BEACON

RIF Priority NOT Satisfied



- If RIF is hired by another BEACON agency and RIF Priority is NOT Satisfied
  - BEACON Agency contacts OSP AND Parent Agency to notify of hiring
  - BEACON Agency enters appropriate action/reason
    - Transfer if w/in 30 day notification & not Sep or Sep/Pay Cont.
    - Reinstatement if Sep or Sep/Pay Cont.
    - Copy 41 BUT DO NOT remove 06 as part of action
    - Create IT 19 to remind to remove 06 after total of 12 months
    - Check to see if future dated IT 15's need to be removed
    - Don't forget the comments!



# Scenario: Non BEACON to BEACON

RIF Priority Satisfied



- If RIF is hired by BEACON agency and RIF Priority is Satisfied
  - BEACON Agency contacts OSP and Parent Agency to notify of hiring
  - BEACON Agency enters Non-BEACON to BEACON action using appropriate reason
  - Don't forget the comments!

## Scenario: Non BEACON to BEACON

RIF Priority NOT Satisfied



- If RIF is hired by BEACON agency and RIF Priority is NOT Satisfied
  - BEACON Agency contacts OSP and Parent Agency to notify of hiring
  - BEACON Agency enters Non-BEACON to BEACON action using appropriate reason
    - ADD a Date Type 06 Notification of RIF to IT 41
    - Create IT 19 to remind to remove 06 after total of 12 months
    - Don't forget the comments!

## Scenario: BEACON to Non BEACON

RIF Priority Satisfied



- If RIF is hired by Non BEACON agency and RIF Priority is Satisfied
  - OSP notifies Parent Agency in BEACON of hiring
  - Cancel Separation Pay Continuation action
    - Copy 41 and remove 06 as part of action
  - This will
    - Stop any severance
    - Remove employee from RIF BI reports
    - Remove employee from SHP w/ BEACON

## Scenario: BEACON to Non BEACON

RIF Priority NOT Satisfied



- If RIF is hired by Non BEACON agency and RIF Priority is NOT Satisfied
  - OSP notifies Parent Agency in BEACON
  - Cancel Separation Pay Continuation action
    - Copy 41 BUT DO NOT remove 06 as part of action
    - Create IT 19 to remind to remove 06 after total of 12 months
  - This will
    - Stop any severance
    - Remove EE from SHP w/ BEACON
    - Keep EE on RIF BI Reports for further consideration

## Scenario: Military Leave



- More to come from OSP
  - First reaction is that severance must be paid ASAP, but...
    - When does RIF priority begin?
    - When does 12 months of State Health Plan begin?
    - And what about leave accrual payout?

## Scenario: Short Term Disability



- EE is currently on Short Term Disability AND RIF'd
  - “we find that STD should not be paid on any day during which the STD beneficiary is in receipt of severance salary continuation.” – State Treasurer’s Office

## Scenario: Short Term Disability Cont.



- Actions and other IT's in system:
  - IT 41 Date Specifications – June 1, 2009
  - IT 19 Monitoring of Tasks (30 day reminder to complete action)
  - Separation Pay Continuation/RIF Severance and/or Health Insurance - July 1, 2009
  - IT 19 Monitoring of Tasks (reminder to CHANGE action when severance ends)
  - Separation Pay Continuation/Short Term Disability coordinate with BEST Benefits for total of 12 mos of SHP
  - Separation/Cancel Separation Pay Continuation – at end of disability payments –

31



## Wrap Up

- Track actions to end Severance, SHP and RIF Priority timely
- Keep communication open with
  - RIF'd employees
  - OSP
  - Agency Benefits
  - Agency Payroll
  - Borrowing Agencies for temp placement
  - Hiring Agencies for permanent placement

32





# Questions?